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2005

document version

Publisher's PDF, also known as Version of record

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citation for published version (APA)

Joubert, A., Gilbert, A. J., Matthee, J., Stewart, T. J., Janssen, R., de Vries, J. S., Scott, L., & van Herwijnen, M. (2005). *Fishing rights and wrongs: the development of a simple, transparent and defensible allocation system for fishers in South Africa*. (PREM Policy Brief; No. no 6). Instituut voor Milieuvraagstukken.

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Fishing rights and wrongs: the development of a simple, transparent and defensible allocation system for fishers in South Africa.

Overview

At the end of the apartheid era, the need to profoundly change South Africa's economy and society became the focus of government policy. A key part of this transformation involved redistributing resources more equitably amongst the country's different demographic groups. Although access to fishing rights was not officially affected by apartheid, the political system limited non-whites' ability to acquire sufficient capital or expertise to enter the fishing sector or make full use of rights. In 1994, less than 1% of the 'Total Allowable Catch' (TAC) for commercial fisheries was allocated to 'historically disadvantaged persons' (HDPs) of black and coloured origin. With the coming of democracy, HDPs sought greater access to fisheries resources. However, changes to the rights allocation system, which were intended to transform the fishing industry, have caused mistrust and dissatisfaction among many fishers. Declines in key stocks, in conjunction with small quota sizes and altered access rights have contributed to growing poverty and unemployment, and a loss of social cohesion in the fishing communities of South Africa's Western Cape.

This study concludes that a just, transparent and broadly acceptable process for allocating fishing rights, together with the empowerment of local people to make effective use of these rights, will be critical for both the protection of the fish stocks and the alleviation of poverty in South Africa's Western Cape. This policy brief focuses on the current allocation system, and how it could be improved through i) the greater involvement of local stakeholders and ii) the application of a Multiple Criteria Decision Analysis (MCDA) approach to the provision of fishing rights. The empowerment of fishers in the Western Cape is addressed in Policy Brief no. 7.

.This policy brief is based on the PREM Working Paper, 'Fishing rights and small-scale fishers: An evaluation of the rights allocation process and the utilisation of fishing rights in South Africa' by Alison Joubert, Alison Gilbert, Jossette Matthee, Theodor Stewart, Ron Janssen, Linda de Vries, Leanne Scott and Marjan van Herwijnen. The full report is available online at: www.prem-online.org



Study Area

South Africa's fisheries yields peaked in the 1960s and 1970s, but since then many stocks have declined due to over-exploitation. Although the commercial fishing industry has historically been dominated by a few white-owned companies, following the end of apartheid new policies were introduced to rectify this inequitable distribution of fishing opportunities and improve the sustainability of fisheries.

While the fisheries sector only accounts for 0.5% of GDP, access to fisheries resources can be critical for local livelihoods. This is particularly the case in South Africa's Western Cape, where most of the country's small-scale, non-white fisheries are.

Commercial exploitation also has a strong presence here: this region's fisheries account for around 90% of the total national fisheries value. Three fishing communities in the Western Cape are the focus of this study: Hawston/Hermanus, Kalk Bay and Ocean View.

Issues facing policy-makers:

- What is the nature of the present fishing rights allocation system in South Africa?
- If given the opportunity, how would both local fisher communities in the Western Cape region and the Marine and Coastal Management Directorate (MCM) reform this system?
- What would be an alternative approach to the allocation of fishing rights?

Fishing rights allocation in South Africa's Western Cape

Fisheries resources are vulnerable to over-exploitation, in large part because of their open-access nature. For long-term ecological and socioeconomic sustainability, fisheries therefore need to be regulated by limiting Total Allowable Catches (TAC) and/or Total Allowable Effort (TAE). Deciding how rights to fish (and subsequent quotas) should be subdivided between fishers is an inherently complex task, made more challenging by South Africa's socio-political context. In South Africa, the allocation of fishing rights is carried out by the Marine and Coastal Management Directorate (MCM) of the Department of Environmental Affairs and Tourism. The total TAC/ TAE for each fishery is allocated between various sectors (full commercial, limited commercial, recreational, subsistence etc.), and then to specific companies and individuals within these sectors. The most recent allocation system (2001-2004) focuses on 'the need to balance the sustainability of the



industry while enhancing the capacity of historically disadvantaged communities to establish commercially viable businesses'. Allocation is principally based on the following criteria (also see figure 1 for an example):

- **The degree of 'transformation'**, measured by the HDP status of the applicant and/or by the percentage of HDP ownership/management of the enterprise.
- **The degree of investment and involvement in the industry**, measured by ownership of (or access to) a vessel, and in some cases, previous fishing rights. For some fisheries, evidence of a business plan for fishing operations (indicating both financial viability and 'business acumen' of the fisher/company) is required.
- **Compliance** with the Marine Living Resources Act, Customs and Excise and other relevant legislation.

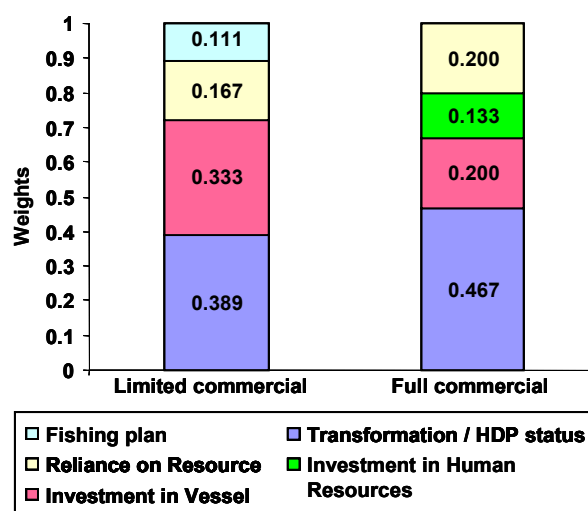


Figure 1: Criteria and weighted scores for the traditional linefish allocations in 2003.

At present, there are serious inconsistencies and a lack of transparency in the allocation of fishing rights. This has caused high levels of discontent (and may have enhanced illegal fishing) in the Western Cape, where fishers feel their access to rights remains constrained. Disadvantaged communities in this region specifically seek greater access to hake handline, traditional linefish, west coast rock lobster and abalone stocks. These small-scale fisheries are particularly important for poorer fishers as they don't require high capital investment.

The fishing rights allocation system: stakeholder feedback

Through a series of informal discussions and questionnaires, local fishing communities and the MCM were asked for their views on improving the allocation of fishing rights (See figure 2). Both fishers and the MCM thought that the industry needed to be transformed to provide greater **stability**, more **equitable access** and enhanced **economic performance**. However, there were differences in what the two groups meant by these concepts:

- **Stability:** Communities were concerned primarily with *social continuity*: rights allocation should not disrupt traditional ways of life. The MCM's concern was rather focused on the *economic stability* of the fishing industry.
- **Equitable access:** Communities felt that people who were dependent on fishing for their livelihoods and who were bona fide fishers should receive rights. However, in the allocation process, the MCM focused instead on *dependence on a single fishery*. For seasonal fisheries, quotas are often too small to be economically viable (e.g. those for west coast rock lobster). Equally, fishers with traditional linefish rights may not hold rights of access to other fisheries and vice-versa. In the past, people with rights to west coast rock lobster and abalone stocks would often use the linefish permit so as to be active for the whole year. The MCM relies on fishers finding employment as crew on other vessels if they only have a single seasonal right themselves. Lastly, fishing communities generally felt that access to a vessel was more important than vessel ownership as a criterion to determine rights allocation; in some communities, only a few people owned vessels. Sharing of vessels would not only help prevent over-capacity, but would also improve the viability of small quotas.
- **Economic performance:** Communities wanted *historical or previous involvement* in fishing to take greater precedence as a criterion in the allocation process. This should ensure greater stability of the fishing industry. Although past involvement can act as a proxy for fishers' 'performance' or 'ability', the MCM requires even *small-scale fishers* to demonstrate some business skills. This is a consequence of an associated government goal: greater economic

growth and development. Yet there seems to be no justifiable reason why a good fisher (and one who fishes within the law) need adopt a business-like approach.

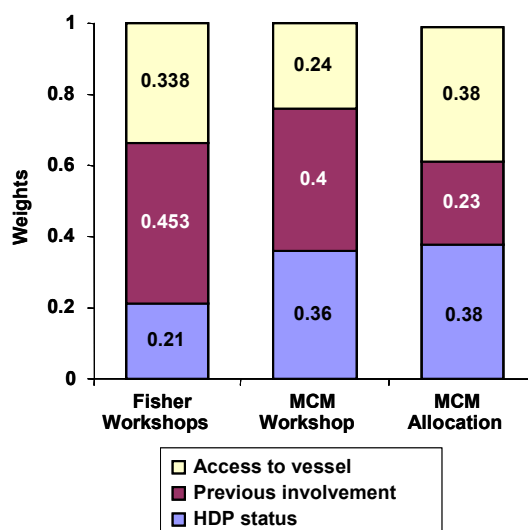


Figure 2: Weights derived for the three criteria used in the east of Cape Hangklip lobster allocation. As part of this project weights were derived with fishers from Hawston/Hermanus and Ocean View (left) and with MCM (middle) during separate workshops. The weights used in the actual allocation are shown on the right. The weights from the fisher and MCM workshops appear closer to each other than to those used in the allocation.

Policy recommendations

As effective fisheries management requires the support of fishers, it is critical that stakeholder feedback be taken into account when developing criteria and objectives for the new round of fishing rights allocations in 2005. South Africa's Minister of Fisheries has already suggested that an initial allocation will be published for comment before final allocation decisions are made. This is a positive step forward. Yet, doing this well will require the development of an allocation system that can deal with the integration of multiple viewpoints and goals (as well as with more traditional resource economics). The use of Multiple Criteria Decision Analysis (MCDA) would help to achieve this, and its value has been recognized in fisheries management contexts internationally. MCDA provides structured decision-making support to policy-makers when informed trade-offs need to be made. An important feature of MCDA (and one which is often missing

in fisheries management) is the establishment of clear objectives and the linking of criteria to these objectives.

The current fishing rights allocation system used by the MCM can be described as a form of multi-criteria analysis: the system is based on policy objectives such as 'transformation', and criteria linked to these objectives are scored. The MCM then evaluates applications on the basis of the sum of scores. However, there are flaws in this method. In particular, the link between policy objectives and criteria needs to be made more explicit and organised in a more consistent way. A new fishing rights allocation system would maintain the same overall structure as the current approach, but would be improved, for example, by applying scores to performance levels of criteria and weights to different criteria in a systematic manner. Ultimately, it is not realistic for all stakeholders to be entirely satisfied with any given fishing rights allocation approach; however, at least a transparent, fair and competent system would inspire more respect and trust.

The MCM also needs to reflect on its multiple goals for South Africa's fisheries. Within the boundaries of ecological sustainability, some fisheries need to be managed with poverty alleviation in mind and others for economic efficiency. Where poverty reduction is a principle objective, the requirement for fishers to have 'business skills' may be inappropriate (as already outlined).

Certain fisheries management and rights allocation



issues still remain to be addressed in South Africa's Western Cape. These include determining the 'minimum viable quota' for small-scale fisheries and supporting alternative livelihood strategies where necessary. This is particularly important in seasonal fisheries, where fishers need other income-generating activities for part of the year. Sharing fishing rights within a community through reciprocal crewing arrangements is one means of doing this. However, communities need further assistance and advice from the MCM regarding how to put such schemes into practice.

PREM: In brief

The Poverty Reduction and Environmental Management (PREM) programme aims to deepen and broaden the exposure of economic researchers and policy advisors in Africa and Asia to the theory and methods of natural resource management and environmental economics. It is anticipated that this will encourage policy changes that address both poverty reduction and sustainable environmental management.

This policy brief is an output of a research project funded by PREM. The views expressed herein are not necessarily those of PREM or its sponsors.

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